

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7198
ANSWERED ON:12.05.2000
INTERST RATE ON SMALL SAVINGS AND PPF
C. SREENVAASAN

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the funds mobilised through small savings and Public Provident Fund have risen by 17% during the last three years;
- (b) if so, the details thereof; and
- (c) the additional profit likely to be earned in a year due to the reduction in interest rate on small savings and PPF ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

SHRI BALASAHEB VIKHE PATIL

- (a) & (b) The increase in gross collections was approximately 36% during 1997-98, 20% during 1998-99 and 23% during 1999-2000 (upto February, 2000) over the corresponding periods of the previous years. Figures pertaining to 1999-2000 are provisional.
- (c) Any savings on account of reduction in rate of interest to the subscribers would be countered to some extent by a reduction in the interest receipts on account of transfers of net collections to State / Union Territory Governments, due to the concomitant decision to reduce the interest rate on these transfers also by 1%.